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SUBJECT: SEOUL - PRESS BULLETIN; July 27, 2009

TOP HEADLINES

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Chosun Ilbo

Pharmaceutical Companies Offering a Year's Worth of Rebates in Lump Sums to Doctors and Hospitals that Prescribe and Purchase their Drugs, Ahead of Implementation of Law to Punish Pharmaceutical Rebates

JoongAng Ilbo

President Lee: "Moderate Pragmatism is the Basis of Lee Myung-bak Administration"

Dong-a Ilbo, Segye Ilbo

Court Rules against Regulating Private Cram School Tuition

Hankook Ilbo

Increasing Number of Middle-Class and Young People Becoming Credit Defaulters

Hankyoreh Shinmun

ROKG, Ignoring Controversy over Validity of Passage of Media Industry Reform Bills, Pushes "Follow-up Measures"

Seoul Shinmun

National Assembly Speaker Not to Accept Resignations of Main Opposition DP Lawmakers Who Want to Quit Legislative Posts in Protest of Passage of Media Reform Bills

INTERNATIONAL NEWS

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North Korea's ambassador to the UN, Sin Son-ho, in a July 24 meeting with reporters, expressed the North's interest in resuming bilateral talks with the U.S. for the first time since the launch of the Obama Administration. (All)

The North Korean ambassador, however, reiterated Pyongyang's previous position that the Six-Party Talks on the North's nuclear program "are gone forever." (All)

According to the Tokyo-based Chosun Sinbo, North Korea opened its first fast-food restaurant in its capital in early June. (All)

## MEDIA ANALYSIS

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### -N. Korea

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All ROK media today gave prominent attention to July 24 press remarks by North Korea's ambassador to the UN Sin Son-ho in which he expressed the North's interest in resuming bilateral talks with the U.S. for the first time since the launch of the Obama Administration. The North Korean ambassador was widely quoted: "We are not against dialogue. We are not against any negotiation over issues of common concern."

The media also noted that the North Korean ambassador reiterated Pyongyang's previous position that the Six-Party Talks on the North's nuclear program "are gone forever," quoting him as saying: "We have already made our position very clear. We will never participate in the Six-Party Talks, ever again."

Conservative Chosun Ilbo commented that even if North Korea returns to the negotiating table, the U.S. will not present it a package of rewards, given Secretary of State Clinton's remarks at the latest ASEAN Regional Forum (ARF) that the U.S. and its negotiating partners do not intend to reward North Korea just for returning to the table. Chosun headlined its article: "Is N. Korea Trying to Escape International Isolation with Dialogue Card?"

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Right-of-center JoongAng Ilbo editorialized: "The North's intentions can be understood in several ways. It is looking to prevent full-fledged implementation of UN sanctions. By doing so, it hopes to mitigate its food and economic crisis and at the same time achieve its long-cherished goal of acquiring the status of a nuclear power. However... the North must bear in mind that Washington is firmly committed to engaging in negotiations with the North in an irrevocable manner. This is the core part of the 'comprehensive package' (recently proposed by the U.S.)"

Left-leaning Hankyoreh Shinmun, in a July 25 (Saturday) editorial entitled "U.S. Sets in Motion Process for New Negotiating Framework with N. Korea," argued: "If North Korea refuses the hand being stretched out by the U.S., both China and Russia will readjust their relations with the North. This is why the North should regard this (U.S. offer of a 'comprehensive package') as its last opportunity for negotiations."

## OPINIONS/EDITORIALS

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U.S. SETS IN MOTION PROCESS FOR NEW NEGOTIATING FRAMEWORK WITH N. KOREA  
(Hankyoreh Shinmun, July 25, 2009, Page 23)

Despite sanctions on North Korea, the U.S. is advancing discussions on the "comprehensive package" of incentives for the North. This is a starting point to form a framework for negotiations aimed at fundamentally resolving the North Korean nuclear issue. The U.S. should use this atmosphere to join hands with other related nations in resuming negotiations as soon as possible.

During the ASEAN Regional Forum (ARF), which ended on July 25, U.S. Secretary of State Hillary Clinton stated that if North Korea takes irreversible steps toward denuclearization, the U.S. and its partners would move forward on a package of incentives, including rewards such as U.S.-North Korea diplomatic normalization. For the first time since the launch of the Obama Administration, Clinton presented a large framework for negotiations with North Korea. Prior to this, while visiting the ROK, U.S. Assistant Secretary of State for East Asia and Pacific Affairs Kurt Campbell laid out a "two-track" approach toward North Korea consisting of dialogue and sanctions, but put an emphasis on dialogue. This confirms Washington's intention to seek negotiations soon after the North

stops provoking and makes clear its commitment toward nuclear dismantlement.

Washington's intention has reportedly been delivered to North Korea through a direct channel. Regarding the two U.S. female journalists, who have been detained in North Korea for over three months, the U.S. seems to be actively exchanging views with North Korea. The foreign ministers of the Six-Party nations, except North Korea, also met during the ARF and shared the need for dialogue with North Korea. In other words, the conditions are being created for the U.S. and North Korea to start negotiations while maintaining the Six-Party framework.

At issue is North Korea's stance. Pyongyang continuously has been saying something to the effect that Washington's hostile policy is to blame for all conflicts. However, the North should realize that efforts to resolve the nuclear issue must go hand in hand with the improvement of U.S.-North Korea relations and that nothing can be resolved without dialogue. Furthermore, as shown in the fact that the UN Security Council resolution regarding tougher sanctions on North Korea is being implemented after its unanimous adoption, North Korea's isolation has deepened more than before. If North Korea refuses the hand being stretched out by the U.S., both China and Russia will readjust their relations with the North. This is why the North should regard this (U.S. offer of the "comprehensive package") as its last opportunity for negotiations.

The ROKG should refine the comprehensive package and give active support to efforts to make negotiations with Pyongyang effective.

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Before that, of course, Seoul should play a key role in creating an atmosphere favorable to negotiations. To this end, we should first improve stalled inter-Korean ties. Rather than sitting idly by and waiting for North Korea to change its behavior, the ROKG should first show a different attitude to the North from a broad perspective.

U.S. KOREA MUST NOT BE EXCLUDED FROM TALKS WITH THE NORTH  
(Chosun Ilbo, July 27, 2009, Page 27)

North Korea's envoy to the UN Sin Son-ho on Friday told reporters in New York his government is not against dialogue on issues "of common concern."

It has become customary for North Korea to propose talks after committing a provocation that rattles the world. In talks held under such circumstances, North Korea has deceived the international community and bolstered its nuclear capabilities. The Barack Obama Administration has repeatedly vowed not to be swayed by Pyongyang's tactics, reducing the chances of success of North Korea's latest maneuver.

But the present stalemate cannot continue indefinitely. The U.S. is seeking direct talks with North Korea, provided the North unconditionally returns to the Six-Party Talks. Sin on Friday said the Six-Party Talks are "gone forever." But a shift in that stance could immediately lead to direct talks between North Korea and the U.S.

Or if North Korea makes leaps and bounds in its development of a nuclear warhead, long-range missile and uranium enrichment, the U.S. government and the international community could face intense pressure to negotiate with it. The chances of such a scenario are even greater if China continues to refrain from pressuring North Korea while seeking to maintain the status quo. Either way, North Korea and the U.S. will end up face to face at a dialogue table.

But we cannot allow U.S.-North Korea talks to end up tacitly recognizing the North's nuclear weapons as an established fact. Even if direct talks do not produce such results, South Korea must be prepared to shoulder the national security, political and economic burden.

U.S. Secretary of State Hillary Clinton said during the ASEAN

Regional Forum that if North Korea enters a process of irreversible denuclearization, the U.S. government is willing to offer a "comprehensive package" including establishment of formal diplomatic relations, a permanent peace treaty, and energy and economic aid. And the presence of U.S. troops in South Korea and the South's economic assistance to North Korea could be included in the agenda of talks.

The U.S. and China begin their first-ever talks on diplomatic and economic strategy today. North Korea is said to be among the main items on the agenda. No matter how strong the Seoul-Washington alliance may be, we must avoid the situation of having our own fate discussed at talks that do not include us, between Washington and Beijing or Pyongyang. We need to see realistic measures that can guarantee our right to voice our demands.

But most of all, we must prepare a broad mid- to long-term national strategy and achieve domestic unity at least in terms of dealing with North Korea. The latest set of sanctions must continue until the North shows a definite shift in its attitude, and then we must prepare for what will happen beyond that stage.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

NORTH MUST ADJUST STRATEGY  
(JoongAng Ilbo, July 27, page 34)

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North Korea has suddenly expressed interest in holding talks with the U.S. North Korea's Ambassador to the UN, Sin Son-ho, said, "North Korea is not against dialogue. We are not against any negotiation over issues of common concern." These remarks by North Korea, which came amid escalating UN sanctions (against North Korea), are intended to ease these sanctions through dialogue with the U.S. Whatever the reasons, it is good that North Korea expressed willingness to engage in dialogue. There is no way to peacefully resolve the North Korean nuclear issue without dialogue.

The U.S. has urged North Korea to return to the negotiating table, while presenting a comprehensive package. The U.S. has maintained its position that it will not provide new rewards to North Korea until it resumes talks and implements nuclear freezing and disablement, which it repeatedly rolled back. However, the U.S. is not opposed to having bilateral talks with North Korea within the framework of the Six-Party Talks. It appears to be reasonable that the U.S. is in this position, given the issue of two U.S. journalists detained in North Korea. Therefore, attention is turning to whether Ambassador Sin's remarks will lead to talks between the U.S. and North Korea.

The North's intentions can be understood in several ways. It is looking to prevent the full-fledged implementation of UN sanctions. By doing so, it hopes to mitigate its food and economic crisis and to achieve its long-cherished goal of acquiring the status of a nuclear state.

However, if North Korea sticks to its "past habit" of trying to gain from resorting to brinkmanship and pretending to talk, its intentions would be merely an empty imagination. There is a prevailing opinion among people in the U.S. that the U.S. should not repeat its old negotiation pattern with the North. They argue that the U.S. took phased steps by accepting North Korea's "word for word" and "action for action" approach, but could not prevent North Korea from reneging on their promises - reprocessing plutonium and conducting nuclear tests. The North must bear in mind that Washington is firmly committed to engaging in negotiations in an irrevocable manner. This is the core part of the 'comprehensive package' (recently proposed by the U.S.) Above all, North Korea should clarify its intention to discard nuclear arms. It should stop insisting that it should have nuclear weapons to protect itself from the U.S. Otherwise, negotiations with the U.S. will not yield productive results.

If North Korea abandons its nuclear ambitions and acts like a responsible member of the international community, the international community including the U.S. will extend a helping hand to Pyongyang. In particular, the U.S. has proclaimed that the comprehensive package will include a variety of measures which North Korea would be "attracted" to, such as the normalization of diplomatic relations between the U.S. and the north. The ROKG has long studied and prepared in various ways to help North Korea develop its economy. But if North Korea continues to seek nuclearization and intends to hold talks only to turn the tables, it is evident that these assistance measures will become futile. The North should keep in mind that "dialogue for the sake of dialogue" no longer works.

#### FEATURES -----

PUBLIC BELIEVES GNP'S PASSAGE OF MEDIA LAWS WILL HARM BROADCASTING  
INDUSTRY  
(Hankyoreh Shinmun, July 27, 2009, Pages 1, 4, and 5)

By Reporters

A nationwide survey shows 51.2 percent in the GNP strongholds of North and South Gyeongsang Provinces believe the media industry landscape will deteriorate.

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A survey shows that seven out of ten citizens consider the Grand National Party's (GNP) railroading of media legislation "wrong." Moreover, 61.5 percent view the passage of this legislation as invalid.

In a nationwide telephone survey of 1,000 men and women, age 19 and older, conducted by ResearchPlus at the request of the Hankyoreh, 71 percent of respondents answered that it was "wrong" for the GNP to pass media legislation in spite of opposition parties' objections. In contrast, 21.6 percent of respondents believe the media legislation has been "well handled." In another item regarding procedure, 61.5 percent of respondents believed that the passage of the legislation was invalid because of the second balloting and proxy voting that occurred in the same session of the National Assembly. This was in contrast to the 31.5 percent who consider the legislation to be valid.

The survey also shows that citizens believe the GNP railroaded the bills because it wanted to create a broadcasting environment favorable to itself by opening up the way for pro-ruling party media conglomerates - Chosun Ilbo, JoongAng Ilbo and Dong-A Ilb - to enter the broadcasting market. Respondents also believe that democracy in South Korea, and the critical monitoring functions of the press, will be greatly curtailed if this media legislation is implemented.

When asked to select a response regarding the objective of allowing cross-ownership in newspapers and broadcasting industries, 36.2 percent of respondents selected, "To form a broadcasting environment favorable to the Grand National Party." Another 19.1 percent selected, "To aid the entry of the Chosun Ilbo, Dong-A Ilbo and JoongAng Ilbo into broadcasting." In contrast, "To develop South Korea's media industry" and "To relieve the broadcasting oligopoly" were selected by 18.5 percent and 14.6 percent of respondents, respectively. These results indicate that the public primarily believes that the recently passed media legislation was intended to preserve the GNP's political power and to afford special privileges to pro-ruling party media, rather than to increase the diversity of public opinion and expand the range of channel options, as the GNP claimed during the early stages of drafting the three media-related bills.

In response to an item regarding the media legislation's impact on democracy in South Korea, 53.1 percent of respondents chose, "It will get worse." Only 19.3 percent selected, "It will get better." In response to a question about press freedom following enactment of

the amended laws, 56.4 percent of respondents believe that it will get worse, more than twice the 20.4 percent of those who believe it will improve.

Survey participants also predict that the public interest character of the press, its monitoring and criticism functions, and the representation of a diverse range of opinions will face a major threat. A mere 17.0 percent of respondents answered that the public interest character of the press will improve after the amendments are enacted, while more than three times as many, 54.8 percent, predict that it will deteriorate. In addition, the survey results show that the number of responses from the Gyeongsang Provinces, the bedrock region for the GNP, predicting deterioration numbers 51.2 percent, far outstripping the 21.3 percent predicting improvement.

Respondents also expressed concerns about the monopolization of public opinion by media conglomerates. The number predicting that such monopolization will become more serious than it is currently is nearly six times greater - at 64.6 percent - than the 11.8 percent predicting that it will grow weaker. Among respondents who support the GNP, 38.0 percent believe that such monopolization will become more severe, and 24.0 percent believe that it will decrease.

The results have a margin of error of plus-or-minus 3.1 percent at a 95 percent confidence level.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

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STEPHENS